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VIA: AIR

DISPATCH NO. EGFA 21840

SECRET

TO: Chief, SR

DATE: 19 May 1958

FROM: Chief of Base, Frankfurt

INFO: EE WE COS E J

GENERAL: REDWOOD/AEMARSH/Operational

SUBJECT: SPECIFIC: AEMARSH 15

REFERENCE: EGPW 6461, 5 March 1958

ACTION REQUIRED: 1. Approval of Financial Provisions Para 5
2. Comments on Paras 3 and 6
3. Provision of Guidance Per Para 9

1. In accordance with your instructions in referenced dispatch, AEMARSH was notified to come to Germany for a meeting. He arrived in Frankfurt 4 April 1958, was met at the airport and taken to an FOB safehouse where he remained until his return to Stockholm on 6 April 1958.

A. Boris GRANDOVSKIS

B. Folks

AHSEKLIS

John A.
not only he
involved.

2. AEMARSH 15 was questioned on what progress he had achieved in his efforts to establish a clandestine contact with Identity A and Identity B. He reported that both Identity A and B now possess his code and understand it. Identity A had replied that for the present he would not use it as he had nothing serious to report. Although Identity A maintains contact by means of overt letters, he appears somewhat reluctant to become involved in a definite provable clandestine activity such as employing a code. He is moreover in ill health and may not be suitable as an intelligence reporting source. He can, however, be useful in locating other prospects in Latvia, also in assisting in the establishment of communications with these prospects if required. (Identity A is the means by which Identity B received the code and the instructions for its use.) We are aware that this is certainly not the most secure way to operate, violating the principles of compartmentation as it does. The action, however, was taken by AEMARSH 15 before his meeting with the undersigned in August 1957. Subsequent analysis of the means available to AEMARSH 15 for establishing communications with Identity B indicates that he took the only course possible at the time.

AHSEKLIS

3. Identity B has replied that he will utilize the code in his next letter to AEMARSH 15. Since this code consists of placing individual letters of the clandestine message at four prearranged places within each line of the overt-text letter, it obviously is not very secure. It moreover is very time consuming since the person employing it must first write the letters of his covert message in their assigned places and then fit the words around

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EGFA 21840

Page Two

SECRET

then so that the whole can be made to appear as logical ordinary sentences of an ordinary letter. It is our intention to furnish Identity B with a two-way S/W system should he continue to indicate interest in undertaking an intelligence assignment. The following procedure has been explained to AEMARSH 15:

A. An S/W message will be prepared on Swedish stationery at MKTCPAZ. This S/W message will contain complete instructions for the use of an S/W carbon sheet system. The message will have no overt text with the exception of "shipment no. 1" (or no. 1A, followed by the next message "shipment no. 1B" in event the instructions do not fit on one sheet of paper.) This message will be used to wrap stamps in and will be mailed to AEMARSH 15's accommodation address in Sweden. He will discard the stamps and write an overt text to Identity B on our message. Within his overt text, using his code, he will instruct Identity B to scorch the received letter.

B. Our first overt message to Identity B will also contain instructions to scorch all subsequent messages received except one letter which will contain the phrase "sveiciens no Aininas" (greetings from Aina) in the overt text. This letter will have no covert text but will consist of an actual carbon sheet on which an overt text has been written.

C. Identity B is to retain this letter and use it for preparing his S/W messages to us. When he begins using this carbon sheet he is to indicate this by signing all letters containing S/W "Janis." He will mail these to AEMARSH 15's accommodation address in Sweden, who will in turn forward them to an FOB drop.

D. The carbon sheet will be sent to AEMARSH 15 in the same manner as our first message except that the carbon will be marked "shipment no. 2." This is the indicator for AEMARSH 15 to include "sveiciens no Aininas" in his overt text to Identity B.

E. Once this mach is arranged, future messages to Identity B will be sent via AEMARSH 15 with notations "shipment no. 3, 4, etc."

4. As you will note, AEMARSH 15 will not be in a position to monitor or control the traffic, a fact which he immediately noticed with some reluctance. When the need for utmost protection, proper handling, etc. of the internal asset was explained to him, he accepted our plan with good grace. He was not informed that it is also our intention to establish other two-way channels of communication with Identity B using our own drops and eventually eliminating AEMARSH 15's participation in this case entirely.

5. AEMARSH 15 leaves quite a favorable impression. He appears to be a sincere, anti-communistic Latvian patriot. His primary interest is

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*Unnecessary use
of international
mails - C
could mail
in Sweden.*

*instructions in
our S/W?*

*again
a carbon
method via
international
mail*

*does this
mean our
first S/W
left - or*

*A/15
"code"*

*what for
code*

SECRET

to do whatever possible to assist his homeland and secondarily to provide financial assistance to his former Latvian Army comrades. In this connection, he was told that, subject to Headquarters approval, we would reimburse him for the clothing and medicine parcels he continues to send to Identity A *Grass* and B. Each one receives a parcel every other month and the total expense involved amounts to approximately \$125 per month. No salary or other benefits to AEMARSH 15 himself were discussed nor did he seem to expect any. It is felt that a token salary payment of \$50 to \$100 per month to him would be appropriate and would insure better control as well as providing more incentive to carry out tasks that may be assigned to him.

6. It is recommended that AEMARSH 15's services for the present be:

A. Concentrate on developing Identity B into a regularly reporting intelligence source with an established S/W channel.

B. Explore Identity A's usability and willingness and if appropriate develop him along the same lines as Identity B.

C. Control the efforts, already initiated by AEMARSH 15 to establish contact with Identity C and if deemed advisable provide him with a communications channel.

7. AEMARSH 15 is considered to possess considerable potential for developing REDSKIN assets in Latvia. Aside from what he has already developed, he should be a valuable source of information and guidance on other possible prospects in Latvia should you consider it advisable to expand.

8. FOB's main interest in this case is in developing internal assets in Latvia and we feel this can be done without causing embarrassment to ☐ or unduly infringing on their prerogatives. Particularly since AEMARSH 15's role at present in establishing Identity B is only that of a mail outfit. AEMARSH 15 however, is alert enough and interested enough that he recognizes other opportunities for intelligence exploitation. For instance:

A. It will be noted in the attached report that AEMARSH 15 has succeeded in inducing three separate individuals to hand-carry semi-operational messages to Latvia in the past. One of these individuals is a Swedish sailor based in *Gottaberg* who probably could be utilized for further similar assignments. *Gottaberg*

B. AEMARSH 15 reported that the first group of tourists from Sweden to Latvia and Leningrad this summer was scheduled to depart 27 April 1958 and contained some 20 Latvians, most or all of whom are now Swedish citizens. Other trips are scheduled for 3 June, 24 June, 5 August, and 26 August. AEMARSH 15 has been instructed to interview

SECRET

members of the first tourist group upon their return in order to obtain possible positive intelligence and to determine the freedom of movement experienced in Latvia, any indications of control or surveillance of the group or whether it is possible for individuals to leave the group and move about freely. In the event information is received indicating it is possible and secure for an individual to break away from the group, we feel this opportunity should be exploited by including a tourist with a recruitment assignment in one of the groups going to Latvia. AEMARSH 15's acquaintances Identity D and Identity E have expressed their desire to visit Latvia on one of these tours. Identity E is reported to be personally well acquainted with several ex-Army officers now in Latvia. AEMARSH 15 feels she is recruitable (by him).

9. We would welcome Headquarters' and [] comments and suggestions, particularly regarding the preceding paragraphs 8A and 8B.

10. Transmitted as separate cover attachment B are reports by [] covering the main aspects of the internal contacts in greater detail. As will be noted, AEMARSH 15 has a tendency to involve far more people in his affairs than is necessary. He has been cautioned to avoid this in the future. —

APPROVED: _____

ATTACHMENT:

Attachment A - Identities, USC
Attachment B - Reports, USC

DISTRIBUTION:

- ✓ 3 - SR w/att A, B, USC
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- 2 - COS wo/att
- 2 - [] w/att A, B, USC

A/15 must be trained to provide better info. [] doesn't pursue this very vigorously.

UNDER SEPARATE COVER ATTACHMENT A TO EGPA 21840

S E C R E T

Identity A	Božiss Granovakis
Identity B	Feliks Auseklis
Identity C	Lt. Col. fru Veinbergs
Identity D	fru Dimiters in Stockholm
Identity E	Mrs. fru OSIS in Halstahammar Wife of leader of the "Daugvas Vanagi" (Latvian Veterans) in Sweden.

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